

EXHIBIT C

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re: §
Wright Brothers Aircraft Title, Inc. § **Chapter 7**
§ **Case No. 21-10994 JDL**
Debtor. §

**REPLY TO TRUSTEE'S OBJECTION TO UNITED STATES'S MOTION FOR
RELIEF FROM STAY**

The United States, in Reply to the Trustee's Objection to the Motion for Relief from Stay, alleges and states as follows:

The EDTX Turnover Order Cannot Be Collaterally Attacked Here

1. The government's motion sought simple relief: to ensure that an order issued in a criminal case pending in the Sherman Division of the Eastern District of Texas, *United States v. Debra Lynn Mercer-Erwin*, Case No. 4:20-cr-212 (the “EDTX Criminal Case”) was complied with by Bank of America (“BOA”) free from any potential bankruptcy repercussions. When the Honorable United States District Judge Amos Mazzant entered the turnover order, he essentially made the following factual and legal findings:

- No Lender Transaction deposits were made into the Wright Brothers Aircraft Title (“WBAT”) BOA account after December 18, 2020;¹
- As of January 2, 2021, the Wright Brothers Aircraft Title BOA account had \$0.00 following a seizure by governmental authorities;
- AML Global deposited \$495,000.00 into the WBAT BOA account to purchase an airplane on January 7, 2021;

¹ As explained in the Turnover Motion, the Lender Transactions are those involving the Ponzi-style investment scheme and many of the creditors involved in the immediate bankruptcy matter.

- WBAT did not have an ownership interest in AML Global's \$495,000 deposit because those funds were strictly deposited to fund the purchase of an airplane;² and
- AML Global's deposits had nothing to do with the Ponzi scheme.

See Dkt. No. 176-1 (Exhibit 1, Motion for Turnover Order) at ¶¶ A-J; *see also* Dkt. No. 176-2 (Exhibit 2, Turnover Order). The turnover order was issued because the funds in the BOA account were proven to be the property of AML Global and no one else.

2. In the government's immediate motion for relief from stay, it relied on those very factual and legal conclusions reached by Judge Mazzant in the EDTDX Criminal Case. That was no accident: those issues were already adjudicated and are no longer subject to debate. Judge Mazzant considered the evidence and determined that AML Global was the rightful owner of the \$495,000 in question, and that BOA should turn those funds over to the United States Marshals Service for ultimate delivery to AML Global.

3. In his Objection, the Trustee asserts that the funds in question are "property of the bankruptcy estate," but Judge Mazzant has already found otherwise in the EDTDX Criminal Case. By asking this Court to disregard the turnover order, the Trustee effectively asks this Court to overturn the findings of an Eastern District of Texas federal district judge. There may be a time and place for orders issued in the EDTDX Criminal Case to get challenged, but it is certainly not here in this bankruptcy proceeding. The

² Notably, the motion for turnover order was a joint filing by both the government, Debra Mercer-Erwin, and Kayleigh Moffett, which means the criminal defendants themselves disavowed any ownership interest in AML Global's \$495,000 deposit with BOA.

Trustee is not a party to the EDTD Criminal Case and he must respect that court's orders, even if he disagrees with them.

4. Fortunately for the government, BOA, and AML Global, the turnover order was issued as a continuation of a criminal proceeding against the debtor, which means that it is exempt from the automatic stay. 11 U.S.C. § 362(b)(1).

Trustee's Objection Improperly Contains Affirmative Request for Relief

5. According to Local Bankruptcy Rule 9013-1.B, "affirmative requests for relief cannot be combined with an objection, response or reply to a motion." In his Objection, the Trustee appears to seek affirmative relief against the United States, including discovery and production requests concerning matters at issue the still-ongoing EDTD Criminal Case. Insofar as the Trustee's Objection seeks "such other relief as is just and proper," including ostensible discovery requests, those portions of the Trustee's objection should be stricken.

WHEREFORE, the United States prays as follows:

- (1) For an Order granting relief from the automatic stay allowing for Bank of America to comply with the turnover order issued by the Eastern District of Texas in *United States v. Debra Lynn Mercer-Erwin*, Case No. 4:20-cr-212; and
- (2) For such other relief as this Court deems appropriate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing document was electronically served on all counsel of record by way of the Court's CM/ECF system on the 6th day of June, 2022 and on the following by first class U.S. mail, postage prepaid, on the following:

Wright Brothers Aircraft Title, Inc. P.O. Box 891860 Oklahoma City, Oklahoma 73189	Wright Brothers Aircraft Title, Inc. 928 SW 107 th Street Oklahoma City, Oklahoma 73170
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/s/ Robert Austin Wells

ROBERT AUSTIN WELLS
Special Assistant United States Attorney